intent issued to the undertakings concerned. Of the remaining 9 applications, 7 have been rejected/otherwise disposed of and the rest 2 which were recently received are being processed. These two applications are for manufacture of Electronic Power Supply System and Solar Cells. It is the constant endeavour of the Government to dispose of applications within the prescribed time frame. The appications were rejected mainly on the grounds of capacity constraints and also for the reasons that the proposals were not well formulated and were not in accordance with the existing policy guidelines.

Customs duty on imported capital goods

1490. SHRI CHIMANBHAI MEHTA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that he had recently stated that Customs duty on imported capital goods should be lowered substantially;

(b) whether any such proposal is being considered and if so, what are the details thereof;

(c) whether it is also a fact that 90 per cent customs duty at present levied on capital goods doubles the cost of the capital projects and the interest rates being much higher ultimately results in accelerating the capital cost of the projects; and

(d) whether there is any developing or developed country where customs duty on capital goods is so high; if so, what are the details thereof?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) No, Sir.

(b) No proposal is under consideration.

(c) The customs duty rate of 90 per cent is applicable only in case of general projects. Special concessional rate of customs duty is levied at the rate of 15 per cent in case of fertilizer projects, 25 per cent to 35 per cent in case of power projects and 30 per cent in case of electronic projects. In addition, a large number of machinery items exceeding 1150 in number, which have no indigenous angle are placed under OGL and subject to a concessional duty ranging from nil to 55 per cent. The interest rates are fixed reasonably with reference to the cost of raising funds and therefore they are not high.

(d) The comparative information of customs duties for developed and developing countries is not maintained in this Ministry.

Companies of business houses/groups inspected under Companies Act

1491. DR. G. VIJAY MOHAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) what is the number of business houses or groups which have been inspected under Section 209A of the Companies Act during the period from 1st June, 1987 to 30th June, 1988;

(b) whether all the companies of such business houses/groups have been inspected, or the inspection was only of some of the companies of such groups;

(c) what are the names of business houses/groups, where all the companies have been inspected; and

(d) what is the number of prosecutions launched pursuant to such inspections?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (d) Business houses or groups have not been defined under the Companies Act 1956. It is presumed that the Hon'ble Member is referring to companies registered under Section 26 of the MRTP Act and belonging to large industrial houses each with assets of Rs. 100 crores or over. Inspection under Section 209A of the Companies Act was conducted during the said period in respect of some companies belonging to 12 such large industrial houses. No prosecutions have been launched so far pursuant to these inspections.